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C O N F I D E N T I A L SECTION 01 OF 02 MOSCOW 003125

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TAGS: <u>PGOV PREL PHUM PINR ECON KDEM RS</u>
SUBJECT: MEDVEDEV'S 2009 YEAR-IN-REVIEW EMPHASIZES ECONOMIC

STABILITY AND MODERNIZATION

REF: A. 08 MOSCOW 3757 ¶B. MOSCOW 2946

Classified By: Political Minister Counselor Susan Elliott for reasons 1 .4 (b) and (d).

11. (SBU) Summary: President Medvedev assessed on December 24 the most important achievements of 2009 during an interview in which he cited Russia's social and financial stability as the nation's key successes. He used the nationally-televised, live interview to push his economic modernization agenda and express his opinion on key domestic and foreign policy issues. Unlike Prime Minister Putin's "overwhelm with numbers" approach, Medvedev provided few specific policy details and often couched his remarks as personal opinion. Media commentators applauded Medvedev's proposed reform of the Ministry of Internal Affairs, but questioned his ability to implement needed reforms in the law enforcement and economic sectors. End Summary.

Interview Dynamics

12. (SBU) Medvedev appeared confident and relaxed in his 85 minute, scripted interview on December 24 with the General Directors of government-controlled Channel 1, Rossiya, and NTV television stations. Unlike last year, TV stations broadcast the interview live, with questions centered around the economic situation, reform of the legal sector, internal politics, and foreign policy. Medvedev made several on-target jokes, including comments about which candidate Russia supported in Ukraine's upcoming presidential election (Ukraine's current Russiaphobe President Viktor Yushchenko, who Medvedev has often criticized for what he perceives as Yushchenko's, anti-Russian policies). By comparison, while Medvedev spoke for ten more minutes compared to last year (reftel A), Putin's marathon live question and answer session on December 3 lasted over four hours (reftel B).

13. (SBU) Medvedev also used the appearance to warn bureaucrats that that they should get on-board with his modernization agenda, or risk losing their positions. In response to a comment by the General Director of NTV about how the bureaucracy looked bored and inattentive during his November address to the Federal Assembly, Medvedev warned that bureaucrats who do not fulfill their responsibilities would not remain in their positions. He also explained that the recent firing of 20 senior officers in the Federal Penitentiary Service was due to their inability to modernize the correctional system, although Medvedev and Minister of Justice Konovalov have suggested that the recent death of lawyer Sergey Magnitskiy in pre-trial detention was the spark that prompted the firings.

- ¶4. (SBU) Medvedev's initial focus was on the social and financial stability the Government had sustained during the global economic crisis. He noted that despite problems, pensions were raised, large businesses were saved from going bankrupt, the ruble was stable, and the Government and Central bank had worked to avoid a financial crisis scenario reminiscent of 1998. Medvedev tempered expectations of a dramatic economic reversal, stating that he expected positive growth in 2010 GDP compared to the decrease of 8.7 percent this year.
- 15. (SBU) When asked what was a failure this year, Medvedev piggybacked on his economic stability response to push his modernization agenda, declaring, "without modernization our economy has no future." Modernization of the economy was needed "long ago" to move Russia away from a dependence on the export of raw materials since, as he said, "we cannot live on our natural resources forever." Medvedev downplayed fears of a rapid, forced overhaul of the economic system.

Relationship With President Obama, Putin, Family

16. (SBU) Medvedev spoke highly of his relationship with President Obama and the respect President Obama had shown Russia. He called President Obama a "strong politician and an interesting person...(who) knows how to listen and how to respond to arguments...He is easy to work with, and we have

MOSCOW 00003125 002 OF 002

established trusting relations." In response to a question about his relationship with Putin, Medvedev's 19-word reply, in which he said relations are good, may have been an attempt to limit the infighting rumors that inevitably appear whenever he or Putin talk about one another. In contrast to his brief comments on his relationships with powerful political leaders, Medvedev spoke at length on numerous, mundane personal questions such as what book he is currently reading, and what type of music his son enjoys.

## Legal Reforms

17. (SBU) Playing his role as the tandem member with the lead in the judicial sphere, Medvedev announced (and issued later that day) reforms to the widely disliked Ministry of Internal Affairs (MVD). Medvedev called for a 20 percent decrease in the number of police positions, salary increases for remaining policemen, and the rotation of senior officials. He steered clear, however, of a wholesale change of leadership. Medvedev also called for softer sentencing and pre-trial detention guidelines. In response to a question about illegal influence of judicial decisions, Medvedev warned that judges who issue verdicts because of money, political pressure, or other factors will be held accountable.

## Will Medvedev's Words Turn Into Actions?

18. (SBU) Experts immediately praised the President's comments on reform of the MVD and the need to modernize the county's economy, but expressed (usual) skepticism of his ability to implement any substantial changes. Supporters and oppositionists alike praised Medvedev for discussing--unlike Putin--the nonsystemic political opposition. He dismissed nonsystemic opposition party leaders as "a chess player" and a former Prime Minister, but acknowledged that a few, mostly minor, electoral irregularities in the October 11 regional elections had occurred. The main question for Medvedev, most commentators argued, is whether he will be able to get United

Russia (and Putin) behind him to implement the modernization and change in social attitudes he is seeking.

Comment

19. (C) The tandem's two-step format continues, with Medvedev and Putin each taking steps to display leadership in their respective spheres. In his interview, Medvedev remained in his tandem-approved lane of strategic issues, economic modernization, judicial reform, and foreign policy, in addition to comments on personal questions and non-political topics. His focus continues to contrast and complement Putin's statistic-filled responses from earlier this month. Medvedev's ability to implement needed reforms remains tied up with the elites' perception of his standing within the tandem (septel). Russian Government officials are likely to fulfill their responsibilities in a more honest manner if they perceive that Medvedev is willing and able, (with Putin's backing), to remove them from office for failing to perform their duties.